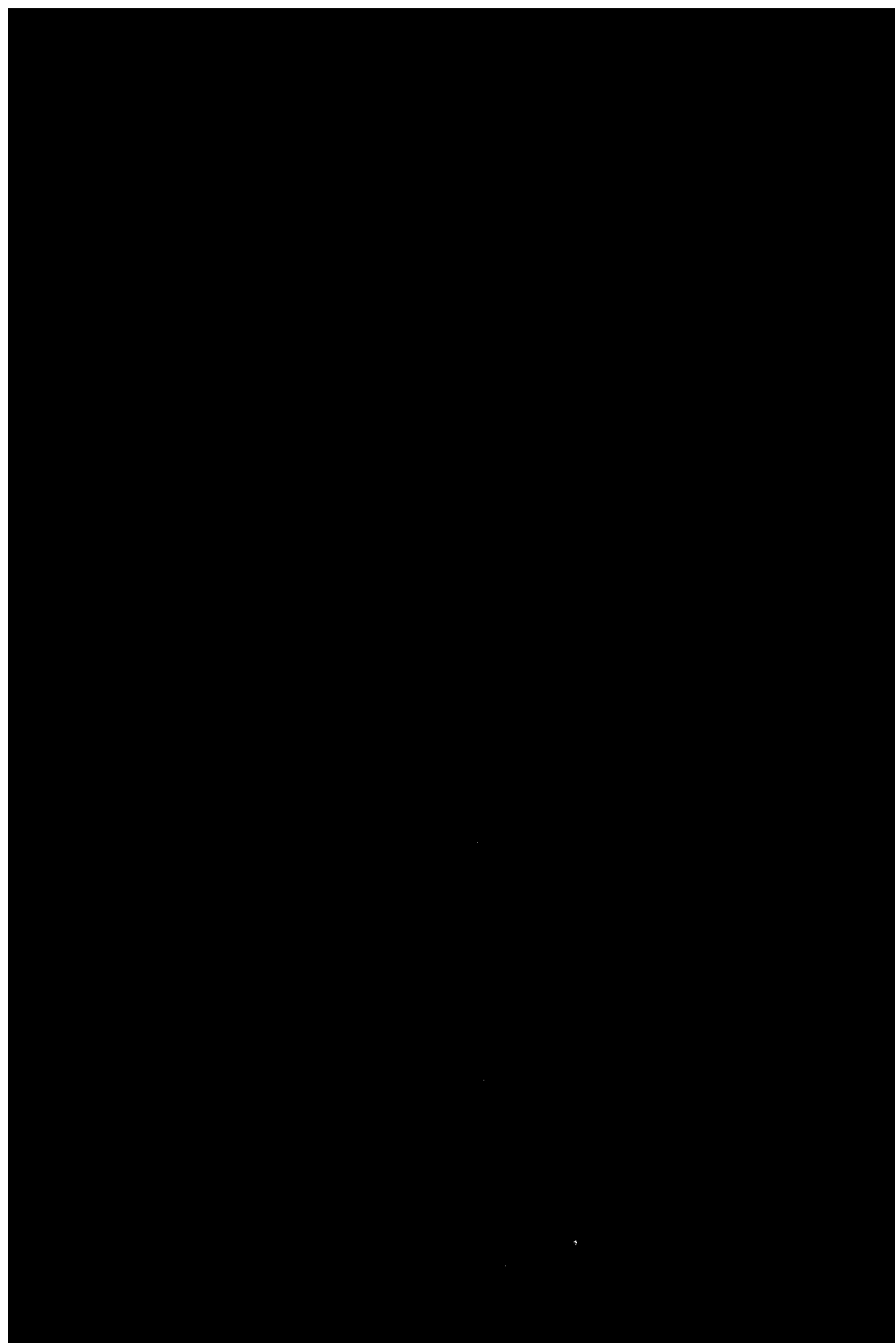


The
Crow's Nest
Pass Coal
Company
Limited



Thirty - Third
Annual Report
1929



The Crow's Nest Pass Coal Company Limited

Capital Stock (Authorized)	\$10,000,000.00
Capital Stock (Subscribed)	6,212,666.66
Capital Stock (Paid Up)	6,212,666.66

Company's Head Office
Ferne, B.C. . .

Stock Transfer Office
Toronto General Trusts Corporation
253 Bay Street, Toronto.

Registrar
National Trust Company, Limited, Toronto.

BOARD OF DIRECTORS FOR 1930.

PRESIDENT

W. R. Wilson
Ferne, B.C.

FIRST VICE PRESIDENT

A. H. MacNeill, K.C.
Vancouver, B.C.

SECOND VICE PRESIDENT

L. C. Gilman
Barrister, Seattle.

DIRECTORS

Dr. G. W. Howland
Toronto.

James T. Maher

Right-of-Way, Land and Tax Commissioner
Great Northern Railway Company, St. Paul, Minn.

Hon. Andrew Haydon

Senator,
Messrs. McGiverin, Haydon & Ebbs,
Barristers, Ottawa, Ontario.

Chas. Bocking.

President Granby Consolidated M. S. & P. Co.
New York, N.Y.

H. P. Wilson

General Manager, Fernie, B.C.

Alfred Rogers

President Elias Rogers Coal Company, Limited,
Toronto, Ont.

OFFICERS

General Manager **H. P. Wilson**
Treasurer **A. A. Klauer**
Comptroller **Geo. H. Hess, Jr.**
Secretary **J. S. Irvine**
Auditors **Messrs. Welch, Campbell & Lawless**
Chartered Accountants.

PROCEEDINGS

OF THE

Thirty-third Annual Meeting of the Shareholders

OF THE

Crow's Nest Pass Coal Co., Ltd.

On the 11th day of June, 1930, the Annual General Meeting of the Shareholders of the Company was held, pursuant to notice, at the Head Office of the Company, Fernie, B.C., at 2.30 o'clock p.m.

The following Shareholders were present, representing 77.1% of the Stock :—

In Person and By Proxy :—

W. R. Wilson.	Daintry, Percival.
L. C. Gilman.	Dancy, Mrs. Mabel.
J. T. Maher.	Dancy, Richard C.
A. H. MacNeill.	Drummond, Agnes S. & Annie.
H. P. Wilson.	Edgar, Mrs. F. H.
Charles Bocking.	Edgar, Miss Maud C.
Adam, James Edward	Edgar, Mrs. Ruby T.
Adam, John.	Ellis, Mrs. Myrtle M.
Ainley, Norman.	Elwell, Miss Catherine Odel.
Alberta Box Co., Ltd.	Evans, K. Beatrice.
Ames, C. B.	Freeland, Trustee, Edward B.
Amys, Arthur L.	Folingsby, Elizabeth.
Anderson, Geo. A.	Great Northern Railway Co.
Aylard, Arthur William	Godwin, Mrs. Alice J.
Aylard, Leslie C.	Gouinlock, James.
Aylard, Mrs. Dorothy Olive.	Gouinlock, Lillie E.
Ball, Mrs. Jessie M.	Granby Consolidated M. S.
Bamford, William B.	& Power Co. Ltd.
Barraclough, Wm.	Gunn, Donald Ross.
Barton, William	Gardiner, Mrs. Amy I.
Barton, Mary.	Gavin, Gertrude Hill.
Barton, Thomas.	Godman, Richard Temple.
Barton, Lillian.	Haydon, Andrew.
Brody, L. J. Stephen.	Hees, Estate, Harris L.
Bungay, Norah W.	Harley Milner & Co.
Bungay, Mrs. Winnifred.	Hess, Jr., Geo. H.
Cann, Harold P.	Hicks, Marjorie O.
Cartwright, Est. Sir R. J.	Higgin, Chas. Napier.
Cliffside Securities Ltd.	Hill, C. Plummer.
Cook, G. W.	Hill, James N.

Howland, Dr. Goldwin.	Nettleton, F. H.
Howland, Goldwin W. in Trust.	Northern Securities Co.
Hulbert, Robert Geddie.	Osler & Co., A. E.
Hyde, Frank O.	Paterson & Co., Alex.
Innes, R. L.	Robinson, W. Wynne.
Irish, Mark H.	Rogers, John W.
Jackson, Mrs. Clara.	Ross, Kenneth G.
Jameson, Mrs. Marie d'Arcy.	Scanlon, Albert E.
Johnstone, James Robert.	Seaman, Mrs. Violet A.
Keliher, Mrs. E.	Seiberlich, Jos. C.
Kelley, Elizabeth C.	Seiggel, Alex.
Kelley, Lillie M.	Simpson, R. R.
Laurie, D. Northall.	Smart, Norman J.
Laurie, Col. K. C.	Smart, W. G.
Laurie, Miss Margaret.	Sparks, Mrs. Jessie L.
Lawrence, Est. of J. Willson.	Stanton, H. G.
Lackner, G. L.	Stearns, Mrs. Clara E.
Leman, Est. of Polyxene	Stephens, Mrs. Elizabeth.
Beaudry.	Steedman, J. P.
Lindsey, Est., G. G. S.	Suckling, Clarice I.
Lindsey, Mrs. Wanda C.	Vanstone, F. C.
McGiverin, Harold B.	Watson, Chas. F.
MacDougall, Mary A.	Webb, Mrs. Lillie S. S.
Macklem, O. R.	Whitelaw, Mrs. Margaret
MacMurchy, Mrs. Lucy L.	Aitken.
Martin, Frederick Richard.	Whitelaw, John & Margaret
Maulson, Frank E.	Aitken Whitelaw.
Mitchell & Co., Ltd., A. J.	Whitehead, T. H.
Morrice, R. B.	Williams, in Trust, Chester J.
McElroy, Earle W.	Williams, Clara H.
McFarren, William.	Williams, Ida L.
McGiverin, H. B.	Wilson, John.
Mansell, Wm.	Wilson Coal & Coke, Limited.
McAndrew, Jane.	Wynes, H. G.
McMurtry Estate, W. C.	Wynes, Harry G.
(Grace C. Berkness, Adm'x).	Zammers, Francis J.

On motion, Mr. Wilson was requested to take the chair, and Mr. Irvine to act as Secretary.

The Secretary read the Notice calling the meeting for the 11th day of June, 1930, at 2.30 p.m.

On motion of Mr. Gilman, seconded by Mr. Maher, the Minutes of the last Annual Meeting, held on the 29th day of June, 1929, were taken as read.

On motion of Mr. MacNeill, seconded by Mr. Bocking, the Thirty-third Annual Report of the Directors, and the accompanying Financial Statement were taken as read.

DIRECTORS' REPORT FOR THE YEAR 1929.

To the Shareholders :

Your Directors for the year 1929 respectfully submit their thirty-third Annual Report, showing statement of the Company's Assets and Liabilities on the 31st day of December, 1929, as well as figures which show the Profit and Loss Account for the year ending the same date.

The balance at the credit of the Profit and Loss Account brought forward from 1928 was \$68,345.06. To this has been added the sum of \$155,233.72, which was transferred from Contingent Liability Reserve and also \$2,514.58, being the amount of adjustment of Dominion of Canada Income Taxes 1928 and prior. There has also been added the sum of \$262,236.25, being the Company's net profit from all sources of the operations for the year 1929 (after making provision for the Dominion Income Tax for the year 1929, amounting to \$18,571.94), making a total of \$488,329.61. From this amount your Directors have paid four dividends of one and one half per cent each, making a total of six per cent for the year, and amounting in all to \$372,697.50, leaving a balance at credit of Profit and Loss to be carried forward to 1930, of \$115,632.11.

The operative Profit of the Subsidiary Company, The Crow's Nest Pass Electric Light and Power Company, Limited, for the year was \$11,775.00, all of which was transferred to Depreciation Reserve.

The operative Profit of the Subsidiary Company, The Morrissey, Fernie & Michel Railway Company, for the year was \$20,429.22, all of which was transferred to Depreciation Reserve.

During the year the Coal Company spent by way of Capital Expenditures for improvements and development \$245,292.55, The Crow's Nest Pass Electric Light and Power Company, Limited, \$3,729.80, and the Morrissey, Fernie & Michel Railway Company, \$19,817.59.

The Coal mined during the year amounted to 804,660 tons, 120 pounds, as against 920,953 tons, 1410 pounds in 1928, and the Coke produced was 75,425 tons, 1140 pounds, as against 68,734 tons, 1450 pounds in 1928.

All of which we respectfully submit.

W. R. WILSON,
President.

Fernie, B.C., June 11th, 1930.

BALANCE SHEET, DECEMBER 31st, 1929.

Assets.

Cash on hand and in Banks	\$ 29,832.12	
Accounts Receivable	511,753.36	
Inventories, Coal, Coke, Stores, etc.	240,895.16	
	<hr/>	\$ 782,480.64
Securities and Shares Owned	1,813,444.92	
Unexpired Insurance	2,071.22	
Mines, Real Estate, Plant and Equipment, less Depreciation Reserve	3,965,250.77	
	<hr/>	\$6,563,247.55

Liabilities.

Accounts Payable	216,376.84	
Provision for Dominion Income Taxes	18,571.94	
	<hr/>	234,948.78
		<hr/>
		\$6,328,298.77
Capital Stock Paid up	6,212,666.66	
Profit and Loss, Credit Balance	115,632.11	
	<hr/>	\$6,328,298.77

Fernie, B.C., June 11th, 1930.

A. A. Klauer, Treasurer.

PROFIT AND LOSS ACCOUNT

Year Ended December 31st, 1929.

Balance at Credit, January 1st, 1929	\$ 68,345.06
Contingent Liability Reserve (Transferred by resolution of Directors)	155,233.72
Adjustment of Dominion of Canada Income taxes 1928 and prior	2,514.58
	<u>157,748.30</u>
	\$ 226,093.36
Profit : Coal and Coke Operations	201,384.88
Lands, Timber Operations and other sources	79,423.31
	<u>280,808.19</u>
	\$ 506,901.55
Less : Provision for 1929 Dominion Income Taxes	18,571.94
	<u>\$ 488,329.61</u>
Dividend No. 79, paid March 1, 1929	93,174.00
Dividend No. 80, paid June 1, 1929	93,174.00
Dividend No. 81, paid Sept. 1, 1929	93,174.00
Dividend No. 82, paid Dec. 1, 1929	93,175.50
	<u>372,697.50</u>
Balance at Credit, December 31st, 1929	<u>\$ 115,632.11</u>

Fernie, B.C., June 11th, 1930.

A. A. Klauer, Treasurer.

AUDITORS' REPORT AND CERTIFICATE

Toronto, Ontario, March 26th, 1930.

To the Shareholders of

**The Crow's Nest Pass Coal Company, Limited,
Fernie, B.C.**

Gentlemen :—

We certify that we have audited the books and accounts of your Company, for the year ended December 31st, 1929, and that the appended Balance Sheet is, in our opinion, so drawn as to exhibit a true and correct view of the Company's position as at that date, and as shown by the books.

We further certify that all our requirements as Auditors have been fully complied with.

Respectfully Submitted,

Welch, Campbell & Lawless,
Chartered Accountants.

THE PRESIDENT'S ADDRESS

In moving the adoption of the operative report for the year of 1929 I have the unpleasant duty imposed upon me of stating that through the following competitive causes the production of coal at the Mines has been seriously reduced, thereby curtailing the economic earnings to a low and undesirable level.

The chief contributing competitive causes responsible for the lower production at the Mines may be submitted as follows :

- First : One of your principal Railroad customers resorting to the use of oil fuel and thereby displacing coal.
- Second : The gas and oil production in the Province of Alberta displacing coal to a considerable extent.
- Third : The smelters by the adoption of improved methods in the use of fuels, and more general application of Water Power Electricity, requiring less raw fuel such as coal and coke for their service.
- Fourth : European coke being brought to the service of foundries along the Pacific Coast districts, and sold at displacement prices.

The following statement indicates the time worked and the production of Coal and Coke in tons, resulting from such operations :

Coal Creek Mines worked217 days.
Michel Mines worked214½ days.

The Coal production resulting from
above working time804,660 tons.
or 116,292 tons less than was produced
during 1928.

The production of Coke for 1929 being .. 75,425 tons.
or 6,691 tons greater than the Coke
production for 1928.

During the year there were 19,135 feet of narrow development work driven at Coal Creek Mines, and 24,590 feet of narrow development work driven at Michel Mines, the narrow work at each mine being fully commensurate to the maintenance of production at each plant.

The balance at credit of profit and loss on the Company's books to be carried forward from 1929 to 1930 is \$115,632.11.

The unstable and unsatisfactory condition of the coal market indicates that this sum, plus the earnings which may be expected in the near future, will be insufficient to permit a continuation of the payment of dividends from earnings at the rate of 6 per cent per annum, which has been the regular rate for some years past.

However, the accounts of the Company as of December 31, 1929, carry a reserve of \$1,381,244.66, representing depreciation of plant and equipment and ore body depletion, but this reserve has not heretofore been segregated so as to distinguish the amount assignable to depletion as a result of the removal of coal from the amount assignable to depreciation of plant and equipment.

This separation has just been authorized by your Board of Directors by resolution setting up a depletion reserve of \$623,652.63, representing coal removed to December 31, 1929, and the sum so set aside will be available for distribution to the shareholders for the purpose of supplementing the amount available for dividends from earnings.

By drawing upon this reserve fund when earnings are insufficient to produce a 6 per cent dividend, it will be possible for the Directors at their discretion to continue for a time a distribution to shareholders at the rate of 6 per cent per annum.

It must, however, be understood by the shareholders that any distribution made from the depletion reserve is in repayment of capital prorata to the shareholders and should be differentiated from the payment of dividends from earnings.

The propriety of such distribution to shareholders from the depletion reserve fund, which will have the effect of reducing the Company's capital without the formality of supplementary letters patent, is supported by competent legal opinion and by the advice of the Company's auditors, Messrs. Welch, Campbell and Lawless, chartered accountants.

The resolution of the Directors creating the depletion reserve and making the same available for distribution to shareholders will be submitted to this meeting for ratification.

I beg to move the adoption of the Report.

Mr. Maher seconds motion to adopt Report.

An opportunity was then given for discussion, after which the motion to adopt the Report was put to the meeting, and carried unanimously.

It was moved by Mr. Maher, seconded by Mr. MacNeill, that all actions of the Board of Directors and Officers of the Company, during the past year, and up to May 31st, 1930, in so far as they appear of record, be and the same are hereby approved. (Carried).

It was moved by Mr. Gilman, seconded by Mr. Bocking, that the firm of Messrs. Welch, Campbell & Lawless, Chartered Accountants of Toronto, be appointed Auditors of the Company for the ensuing year. (Carried).

It was moved by Mr. Gilman, seconded by Mr. Maher, that the thanks of the Shareholders are due and are hereby tendered to the Officers, Staff and Employees of the Company, for their zeal and effective services in the interest of the Company during the past year. (Carried).

It was moved by Mr. MacNeill, seconded by Mr. Gilman, that Mr. J. S. Irvine and Mr. A. Klauer be appointed Scrutineers for the election of Directors. (Carried).

It was moved by Mr. Gilman, seconded by Mr. Maher, that the following gentlemen be nominated as Directors of

the Company for the ensuing year : Mr. W. R. Wilson, Mr. A. H. MacNeill, Mr. Andrew Haydon, Mr. L. C. Gilman, Mr. James T. Maher, Mr. H. P. Wilson, Mr. Charles Bocking, Dr. Howland, and Mr. Alfred Rogers.

It was moved by Mr. Gilman, seconded by Mr. MacNeill, that the Chairman cast one ballot on behalf of the Shareholders and in favor of the gentlemen nominated as Directors of the Company for the ensuing year. (Carried).

The Scrutineers reported the gentlemen nominated as having been duly elected Directors of the Company for the ensuing year.

It was moved by Mr. Gilman, seconded by Mr. Maher, and resolved that we learn with very great regret that Mr. J. F. Edgar passed away on February 3rd, 1930.

Be It Further Resolved that the following resolution as passed by the Directors be incorporated in the Minutes of the Annual Report :

“That the Directors at all times valued highly the advice and assistance of the late Mr. Edgar, and desire that their expression of regret on account of losing the same be placed on the Minutes of this Meeting.

It was further resolved that a copy of this resolution be forwarded to the family of the late Mr. J. F. Edgar.”

It was moved by Mr. Gilman, seconded by Mr. Bocking, that the resolution passed this day by the Directors setting up a depletion reserve be ratified by the Shareholders and further that the Directors be and they hereby are authorized to make from said fund, further proportionate distributions to shareholders as a return of capital, in such amounts from time to time and at such times as the directors in their sole discretion may determine, so that the total amount so distributed shall not exceed the sum heretofore set up. (Carried).

The meeting then adjourned.

At a subsequent meeting of the Directors, the following Officers were elected :

President	Mr. W. R. Wilson.
First Vice President	Mr. A. H. MacNeill.
Second Vice President	Mr. L. C. Gilman.
General Manager	Mr. H. P. Wilson.
Treasurer	Mr. A. A. Klauer.
Comptroller	Mr. Geo. H. Hess, Jr.
Secretary	Mr. J. S. Irvine.

